



MEMORANDUM

DATE: June 27, 2022

TO: Corri Spiegel, City Administrator
Mallory Merritt, CFO/Assistant City Administrator

FROM: Hanna Whitehurst, Budget Analyst

RE: FY 2022 Monthly Financial Update – Through May 2022

Below is a summary report of the city’s main operating funds as of May 31, 2022 for FY 2022. Information is provided for the General Fund, Trust & Agency Fund, Local Options Sales Tax Fund, other major revenues, and Employee Health Fund.

General Fund Expenditures

As of the end of May, General Fund operating departments ended slightly below expected spending levels. With 91.7% of the year completed, 88.1% of overall budgeted expenditures have been spent. Payroll costs, which are the main driver of the General Fund, are at 86.7% of budgeted levels, which is in line with the expected level of 87.1%.

OVERALL DEPARTMENT BUDGET SUMMARY			
Department	Budget	YTD	%
City Council	321,993	272,052	84.5%
Mayor's Office	142,184	121,222	85.3%
Finance	1,540,582	1,404,192	91.1%
Administration	821,019	689,110	83.9%
IT	-	(79,298)	-
Human Resources	774,280	721,405	93.2%
Comm. & Econ. Dev.	674,019	551,092	81.8%
Civil Rights	363,387	304,802	83.9%
Dev. & Nbhd. Svc. Dept.	2,109,768	1,798,631	85.3%
Public Works	3,271,879	2,841,989	86.9%
Police Department	19,560,634	17,276,244	88.3%
Fire Department	13,384,572	12,151,777	90.8%
Parks & Recreation	4,337,550	3,599,591	83.0%
Library	2,784,616	2,455,219	88.2%
Total	50,086,483	44,108,029	88.1%

OVERTIME SUMMARY			
Department	Budget	YTD	%
Finance	2,600	161	6.2%
Human Resources	-	66	-
CED	-	192	-
DNDS	2,000	10,839	541.9%
Public Works	67,500	40,734	60.3%
Police	570,858	384,088	67.3%
Fire	211,100	901,172	426.9%
Parks	29,500	33,156	112.4%
Library	5,135	482	9.4%
Total	888,693	1,370,889	154.2%

Overall, there are no departments that exceed the expected budget targets. There are currently seven departments falling 5.0% or more below the expected expenditure rate of 91.7%, The City Council’s Office (84.5%), Mayor’s Office (85.3%), Administration (83.9%), Community and

Economic Development (81.8%), Civil Rights (83.9%), Development and Neighborhood Services Department (85.3%), and Parks and Recreation (83.0%).

The Overtime Summary Report shows five departments with a variance of more than 3.0% above the expected expenditure rate for overtime. First, the Human Resources Department incurred unexpected costs related to front desk staff but has not been a continued expense. The Community and Economic Development Department incurred overtime costs during the fall related to community event staffing. Also, the Development and Neighborhood Services Department (541.9%) is above expected overtime expenditures due to overtime costs related to inspections and code enforcement. The Fire Department (426.9%) has higher-than-expected overtime expenditures due to employees out on injury/military leave. Finally, the Parks and Recreation Department (112.4%) is above expected overtime levels due to overtime related to parks operations and recreation programs.

General Fund Revenue

As of the end of May, the General Fund has received \$37.1M in current property taxes, which is 1.9% higher than FY 2021 YTD (\$36.3M). Below is a chart detailing other major revenues. In relation to FY 2021 YTD, other major revenue sources are up 17.9%. First, Cable TV Franchise revenue is received on a quarterly basis and the third quarterly disbursement was received in May. Next, Casino Development Fee revenues are up 7.2% compared to FY 2021 YTD. Licenses and permits are up 45.1% due to higher building permits associated with Amazon construction. Charges for services is up 21.7% which can be attributed to an increase in rental inspections completed. Also, Uses of Money and Property are down 13.2% YTD, but is not anticipated to have a budgetary impact. Finally, Fines & Forfeits is up 4.1% due to an increase in speed camera fine collections compared to FY 2021 YTD.

Overall, major General Fund revenue sources are trending above budget projections. These revenue sources will be closely monitored on a monthly basis in relation to budget.

SUMMARY OF MAJOR NON-TAX REVENUE SOURCES					
Department	Budget	YTD	Current Projection	YTD Change from FY 2021	% of Budget Collected
Cable TV Franchise	760,000	476,686	649,571	-	62.7%
Casino Development Fee	1,200,000	1,315,299	1,504,022	7.2%	109.6%
Licenses & Permits	1,919,300	3,259,248	3,568,696	45.1%	169.8%
Charges for Services	3,851,072	3,770,363	3,883,791	21.7%	97.9%
Uses of Money & Property	789,040	571,296	734,597	-13.2%	72.4%
Fines & Forfeits	1,255,500	1,654,111	1,882,562	4.1%	131.7%
Total	9,774,912	11,047,004	12,223,240	17.9%	113.0%

Local Option Sales Tax Fund Revenue

The below chart displays the revenue categories for the Local Option Sales Tax Fund as of the end of May. The majority of this fund's revenue comes from the sales tax disbursements from the state. Local Options Sales Tax Fund revenue is currently at 126.0%, which is above the expected budget for FY 2022. These numbers include a \$4.1M true-up payment received from the State of Iowa in November. Excluding the true-up payment, the LST Fund is at 98.9% which is higher than the 4-year average of 78.0% YTD.

SUMMARY OF LOCAL OPTION SALES TAX FUND			
Department	Budget	YTD	% of Budget Collected
Other Taxes (Sales Tax)	16,607,500	20,914,965	125.9%
Charges for services	80,000	112,440	140.5%
Use of Monies & Prop	15,000	13,579	90.5%
Total	16,702,500	21,040,984	126.0%

Major Revenues by Fund

Other major revenue sources are also monitored, and the below chart summarizes them and displays the percent collected YTD and compares to its expected target percentage over a four year average. Funds with a variance of more than five percent above their expected level are highlighted in green, while funds with a variance of less than five percent below their expected level are highlighted in red.

SUMMARY MAJOR REVENUE BY FUND				
Department	Budget	YTD	% of Budget Collected	Target
Airport - Hangers / Operations	174,900	163,829	93.7%	91.4%
Airport - Fuel	31,100	33,839	108.8%	77.8%
Clean Water Fees	3,120,000	2,552,764	81.8%	76.7%
Solid Waste Fees	6,732,500	5,285,884	78.5%	74.5%
Rivers Edge - Ice Rentals & Admissions	345,000	335,830	97.3%	93.8%
River's Edge - Turf Rentals & Admissions	130,000	87,516	67.3%	95.9%
River's Edge - Concessions	50,000	35,991	72.0%	99.0%
Golf - Green Fees	800,000	894,508	111.8%	83.3%
Golf - Concessions	210,000	204,873	97.6%	83.2%
Transit - Grants	1,775,000	2,283,098	128.6%	57.4%
Transit - Passenger Charges	431,000	341,340	79.2%	92.5%
Parking - Ramps & Fees	1,074,100	827,128	77.0%	92.4%
Parking - Fines	120,000	140,473	117.1%	88.8%
Sewer Fees - Residential	19,688,000	16,742,736	85.0%	75.6%
Sewer Fees - Industrial	3,317,000	3,956,461	119.3%	90.6%
Road Use Tax	12,800,000	10,667,679	83.3%	79.4%
Local Option Sales Tax	16,600,000	20,740,951	124.9%	78.0%
Employee Health - Recovery	-	1,658,782	N/A	N/A

Trust & Agency Fund

As of the end of May, Trust & Agency Fund expenditures are slightly below expected budget levels. The expected level of expenditures as of the end of May is 89.5%. Trust & Agency benefits are currently at 89.2% which is in line with the expected budget.

BENEFIT SUMMARY			
Benefit	Budget	YTD	%
FICA	1,435,911	1,260,687	87.8%
IPERS	1,333,186	1,051,145	78.8%
Employee Insurance	11,010,857	10,326,723	93.8%
MFPRSI	6,419,005	5,514,332	85.9%
Deferred Compensation	16,836	6,537	38.8%
RHSP	847,030	754,165	89.0%
Fit Pay	131,000	130,730	99.8%
Total	21,193,825	18,913,588	89.2%

Employee Health Insurance Fund

As of the end of May, claims for FY 2022 are 14.8% higher than claims in FY 2021. Claims expenditures are currently trending about \$143K above the original budget of \$15.8 million.

HEALTH CLAIMS PROJECTION MODEL							
	FY 2020	FY 2021	Average	% Total	Cum. %	FY 2022	Year End Projection
July	1,165,155	1,077,507	931,533	7.82%	7.82%	940,733	12,034,289
August	1,203,114	1,328,983	1,028,548	8.63%	16.45%	1,515,769	14,934,665
September	977,833	1,181,074	938,463	7.88%	24.32%	1,440,852	16,022,943
October	1,388,887	1,104,134	971,975	8.16%	32.48%	1,117,746	15,440,547
November	1,111,402	1,213,605	942,338	7.91%	40.39%	1,209,077	15,411,016
December	1,189,299	1,126,545	1,142,136	9.58%	49.97%	1,826,517	16,110,327
January	1,235,191	964,700	915,424	7.68%	57.65%	970,399	15,646,901
February	1,115,559	1,115,936	801,818	6.73%	64.38%	1,402,590	16,190,176
March	1,481,989	1,139,423	1,073,507	9.01%	73.39%	1,403,597	16,115,379
April	1,311,637	1,137,471	1,012,438	8.50%	81.89%	1,215,023	15,927,138
May	706,360	1,155,054	1,006,243	8.44%	90.33%	1,355,161	15,938,503
June	1,347,286	1,395,190	1,152,175	9.67%	100.00%		14,397,464
Total	14,233,712	13,939,622	11,916,597	100.00%		14,397,464	

FY 2023 Budget Update

During the month of June, the Finance team finalized the FY 2023 Budget Book, and it was submitted to the GFOA for review and is now available on the city's website.